(d)   sub-dividing at least some of the episode disease categories by severity of illness, wherein the classification system is applied to historical information for individuals and populations to group them according to the classification system; and

(e)   defining criteria for aggregating the episode disease categories and severity of illness levels to assign an overall clinical risk group and severity of illness rating to an individual patient, wherein the selection criteria for selecting the primary chronic disease comprise:

ranking the episode disease categories in each major disease category by severity;

adjusting the ranking based on the presence and severity of episode disease categories in other major disease category;

selecting as the primary chronic disease the highest adjusted rank episode disease category in each major disease.

11.   A method of creating a classification system for rating the nature and severity of health care requirements, characterized by:

(a)   obtaining a set of medical care codes;

(b)   categorizing the medical care codes into major disease categories;

(c)   categorizing the medical care codes into episode disease categories based on the severity and persistence of the disease, and assigning each episode disease category to a major disease category;

(d)   sub-dividing at least some of the episode disease categories by severity of illness, wherein the classification system is applied to historical information for individuals and populations to group them according to the classification system; and

(e)   defining criteria for aggregating the episode disease categories and severity of illness levels to assign an overall clinical risk group and severity of illness rating to an individual patient,

wherein the criteria assigning the overall clinical risk group comprise: (i) defining criteria for a series of risk groups ranked in order of declining severity; (ii) comparing the primary chronic diseases to the criteria for each risk group, and (iii) assigning the most